

Among the important financial commitments of the Government in the past year mention has to be made of the huge advance of Rs. 278.52 lakhs made for the purchase of food grains inside and outside the State of which a sum of Rs. 241.16 lakhs was recovered by sale proceeds, the balance of Rs. 37.36 lakhs being owned in the stock of food grains at the disposal of the Government.

REVISED ESTIMATE OF 1119

Passing on to the current year, I shall first deal with the financial position. The total revenue is expected to reach Rs. 209.34 lakhs which is Rs. 23.95 lakhs more than our Budget anticipations, while the total expenditure is estimated at Rs. 190.83 lakhs which exceeds the budgetted programme by the same amount of Rs. 23.95 lakhs. The year is expected to close with a surplus of Rs. 18.50 lakhs which is more or less the same as the original anticipated surplus of Rs. 18.51 lakhs. The variations from the budget figures both under receipts and disbursements merely reflect the uncertainties of the times and require no special explanation.

I shall now endeavour to explain some of the broad features which cause the differences on the side of revenue. As the House is aware, we have embarked on numerous activities connected with the war efforts as the supply of timber, recruitment of labour, encouragement to cottage and other industries, etc., and these have given increased employment and larger incomes to the masses. There has been at the same time a phenomenal increase in the prices of agricultural products and these have led to a material rise in prosperity for most persons dependent on Agriculture, Commerce, or Industry with the result that an improvement in the revenue position became more and more pronounced as the year advanced. The increased revenues expected under Excise and Income-tax fall under this category. The larger supply of various species of timber and fuel has caused the increase of Rs. 9.75 lakhs under Forest revenue.

The various steps taken by the Government to fight inflation and supplement the efforts of the Government of India in this direction, *viz.*—

Revision of the scale of registration fees.

Restriction of Capital issues.

Enhancement of salt duty.

Enhancement of Anchal rates and

Enhancement of the issue price of liquor from distillery—have in no small measure contributed to the increased revenues under the respective heads.

Though there has been no change in the rates of the Excess Profits Tax, it is expected that the larger income from this source and the increase from the ordinary Income-tax would enhance the Budget anticipation under this head by Rs. 7 lakhs.

Before proceeding further I have to pause and explain to the House why such a large fall of Rs. 8.76 lakhs has occurred under Miscellaneous revenue. The cultivation of the forest areas by food crops launched in the course of the "grow more food campaign" and more popularly known as the Hill Paddy Scheme has not yielded the expected results. We spent Rs. 6.89 lakhs on this account in the course of 1118 and including an expenditure of Rs. 2.73 lakhs in 1119, the total expenditure on the scheme is Rs. 9.62 lakhs in all. According to the Revised estimates the Hill Paddy Scheme is expected to yield in 1119 only a revenue of Rs. 4.62 lakhs against an anticipation of Rs. 14.35 lakhs. The very nature of these extensive operations was fraught with numerous difficulties. Adequate control was difficult; proper protection was impracticable; the weather conditions were most unfavourable; and the result was disappointing.

I shall now briefly explain why the budgetted expenditure has so considerably increased.

Dearness allowance.—Last year I referred to the increased cost of living and its bearing on Government servants. The House has expressed its concern on this vital problem by the numerous resolutions and interpellations. The grain compensation or dearness allowance which stood at Rs. 2 to all employees on a pay of Rs. 25 and below was then enhanced to Rs. 4 and extended to all drawing Rs. 60 and less—costing in all Rs. 6.53 lakhs. This was liberalised and extended in the course of this year from 1st Dhanu 1119 to all employees drawing Rs. 100 and below involving an increased expenditure of Rs. 5.44 lakhs. Even this enhancement, then accepted as liberal, has now been considered as inadequate and revised rates have been sanctioned from the beginning of last month. The new scheme which extends the benefit of its operation to all drawing Rs. 200 and below at varying rates from Rs. 10 to Rs. 14 is expected to cost Rs. 20.51 lakhs a year, the net additional expenditure this year being Rs. 5.99 lakhs over the budget provision.

The temporary increase of Rs. 4 in pensions up to Rs. 50 per mensem sanctioned from 1st Dhanu-1119 is estimated to cost Rs. 1.08 lakhs for a year. The scope of dearness allowance has now been extended to all pensions up to Rs. 100 involving an annual expenditure of Rs. 1.44 lakhs.

Enhancement of T. A. Rates.—The high cost of travelling and living in camp was causing great strain to Government servants on tour and to compensate them a further revision of the rates of T. A. both ordinary and fixed had to be effected in the course of the year. This had the effect of raising the T.A. allotment from Rs. 2.86 lakhs to Rs. 3.18 lakhs in the Revised estimate.

Revision of Pay.—Even though all general revisions of pay have been discouraged and ordered to be postponed till the restoration of normal conditions some hard cases of officers have been duly considered and their pay revised in the course of the year.

The general items referred to above have caused an approximate increase in expenditure of Rs. 6.44 lakhs out of the total increase of Rs. 23.95 lakhs over the Budget estimate of Rs. 166.88 lakhs.

The other important items exhibiting increase in the Revised estimate are Forest and Tramway, Education, Military, Public Works and Income-tax.

I have already stated that this year the receipts from Forests are expected to enhance the budgetted revenue by about Rs. 9.75 lakhs. The increased operations naturally enhance the expenditure under Forests to the extent of Rs. 6.40 lakhs. Under Education an increase of Rs. 2.80 lakhs over the Budget estimate of Rs. 22.85 lakhs is anticipated mainly due to the enhancement of dearness allowance in the course of the year and to the increase under Grant-in-aid, etc.

The organisation of the State Forces to which I made reference last year and the various unforeseen items of expenditure inevitable on the gradual development of such a scheme has increased the expenditure under this head by Rs. 1.87 lakhs. Under Public Works a large increase of Rs. 5.38 lakhs over the Budget estimate of Rs. 17.74 lakhs is expected mainly on account of larger tender rates due to the existing conditions of labour and materials. Works for the State Forces to the extent of Rs. 1.63 lakhs had to be undertaken in the course of the year and measures for the protection of Kule cultivation costing about Rs. 1 lakh had to be launched. These had not been anticipated at the time of the budget.

The very large increase in revenue under Income-tax has resulted in large refunds as a result of appeals and this chiefly accounts for the enhanced Revised estimate.

The other increases in the Revised estimate are of minor importance and I would invite the attention of the Honourable Members to the Explanatory Memorandum in their hands.

Before leaving the Revised estimates I have to touch upon another head also, viz., Miscellaneous which anticipates a saving of Rs. 2.35 lakhs contrary to expectations. As against a provision of Rs. 8.91 lakhs made in the budget estimate for Hill cultivation measures the Revised estimate anticipates Rs. 2.73 lakhs only thus resulting in a saving of Rs. 6.18 lakhs. This was due to the fact that the scheme of direct cultivation by Government has been given up in favour of leases to cultivators. The Price Control measures are, on the other hand, expected to cost Rs. 3.29 lakhs more than the Budget estimate of Rs. 3.95 lakhs thus taking up a large part of these savings. During the course of this year it was found necessary to entertain or expand the following establishments under Price Control measures.

- (1) Antiprofitteering and hoarding
- (2) Inspection staff
- (3) Ministerial staff, etc.

The donation of Rs. 1 lakh made for the Military Benevolent Fund by His Highness the Maharaja is expected to take up another portion from the savings under Hill Paddy Measures.

CAPITAL SCHEMES

Last year I adverted to some of the schemes Government had undertaken either to improve the amenities of the people and encourage industrial development or to extend the areas under cultivation. Of them, the Pallivasal Scheme has made much headway. In spite of the vast difficulties of the present situation the work of the Anamalais Road, the economic possibilities of which are well known, is making steady progress. Of the Irrigation Schemes in hand the Chalakkudi Irrigation Scheme could complete its investigation stage only. A new scheme known as the Nelliampathi Cultivation Scheme was taken up urgently in the course of the year. An area of 500 acres is proposed to be brought under vegetable and fruit cultivation and it is expected that a sum of Rs. 0.52 lakh would be spent this year on this scheme.